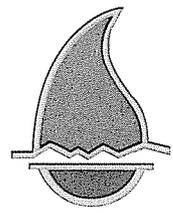


~~TFS 2005-00487~~

Hopkinsville Water Environment Authority

401 East 9th Street • P.O. Box 628 • Hopkinsville, Kentucky 42241-0628



Phone (270) 887-4246
Fax (270) 887-4244

Len F. Hale
General Manager



April 15, 2005

RECEIVED

Public Service Commission
Tariff Branch
P.O. Box 615
211 Sower Blvd.
Frankfort, KY 40602-0615

Case 2005-00174

APR 14 2005

PUBLIC SERVICE
COMMISSION

Re: Hopkinsville Water Environment Authority
Wholesale Water Rate to the Christian County Water District

Enclosed please find the tariff sheet for the Hopkinsville Water Environment Authority's wholesale water rate to the Christian County Water District. The Black & Veatch Corporation developed these rates as part of a cost of service study. These rates will be applied to water used on or after July 1, 2005.

Sincerely,

Len Hale
General Manager

Enclosures



April 1, 2005

Mr. Len F. Hale
General Manager
Hopkinsville Water Environment Authority
401 E. 9th Street
Hopkinsville, KY 42240

Dear Mr. Hale,

At your direction, Black & Veatch has prepared a comprehensive cost of service study for the Hopkinsville Water Environment Authority (HWEA). The driving force behind the rate study is the need to issue revenue bonds this spring in order to finance the planned raw water intake replacement project. In conducting our study, we have used the generally accepted base-extra capacity allocation methodology as set forth in the AWWA Manual M1.

As part of our study, we have developed cost of service rates for Christian County Water District (County). In determining these rates, we utilized their service agreement as guidance as well as their projected average annual consumption, peak day demand and customer data. The resulting rate schedule recognizes their existing contract modification agreement dated June 19, 1996 which specifies that the rates charged by HWEA to the County for the first three consumption blocks will be based upon an index of 1.3 times the applicable City rates. An additional rate block for the County currently exists, which is not tied to the City rates. This block is used to recover the remaining cost of service not recovered under the first three blocks. The proposed rates for the County are as follows:

Existing and Proposed Wholesale Rates
(Proposed Rates Effective May 1, 2005)

	<u>Existing Rates</u>	<u>Proposed Rates</u>
First 30 Ccf	2.30	2.72
Next 30 Ccf	2.02	2.38
Next 30 Ccf	1.46	1.72
Over 90 Ccf	1.19	1.93

If you have any questions regarding these calculations, please feel free to contact me at (913) 458-3680.

Very truly yours,

BLACK & VEATCH

J. Rowe McKinley
Director

FOR Hopkinsville, KY
Community, Town or City

P.S.C. KY. NO. _____

Original SHEET NO. 1

CANCELLING P.S.C. KY. NO. _____

SHEET NO. _____

Hopkinsville Water Environment Authority
(Name of Utility)

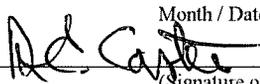
CONTENTS

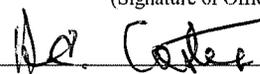
Wholesale Water Rate for Christian County Water District

		Rate per 100 cubic feet	Equivalent Rate per 1,000 Gallons
First	3,000 cubic feet	2.72	3.64
Next	3,000 cubic feet	2.38	2.70
Next	3,000 cubic feet	1.72	2.30
All Over	9,000 cubic feet	1.93	2.58

DATE OF ISSUE 4/15/2005
Month / Date / Year

DATE EFFECTIVE 7/1/2005
Month / Date / Year

ISSUED BY 
(Signature of Officer)

TITLE **Chairman** 

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. N/A DATED N/A

